Docket No.: 064706-0038   **PATENT**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: UY, ANTHONY, et al.

Application No.: 10/790,513   Customer No.: 33401

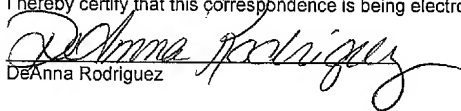Filed: March 01, 2004   Confirmation No.: 1072

Group Art Unit: 2171   Examiner: LOVEL, Kimberly M.

Title: POST ENTRY AUDITING OF CUSTOMS ENTRY DATA (as amended)

SUMMARY OF EXAMINER INTERVIEW

Mail Stop Amendment No Fee
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir/Madam:

Applicants thank Examiner Kimberly Lovel for the time which she spent on June 2, 2009, discussing the outstanding office action with Applicants' attorney, Marc E. Brown, over the telephone.

Proposed claim amendments and remarks were discussed, a copy of which is attached hereto. The examiner stated that these amendments appear to overcome the rejections which had been made, subject to a final review and updated search. Applicants'

attorney agreed to present these amendments in a formal document and to ensure that the substance of all limitations in amended claim 1 appear in the remaining claims.

Respectfully submitted,

McDERMOTT WILL & EMERY LLP

Marc E. Brown, Registration No. 28,590

2049 Century Park East, 38th Floor
Los Angeles, CA 90067
Phone: (310) 277-4110
Facsimile: (310) 277-4730

Date: June 2, 2009

Please recognize our Customer No. 33401 as our correspondence address.

DRAFT CLAIM AMENDMENTS – FOR DISCUSSION PURPOSES

1. (Currently amended with changes not shown) A method for Harmonized Tariff Schedule ("HTS")_auditing by an importer using a software user interface and an importer database coupled to the software user interface using one or more layers of executable code, the method comprising:

an importer receiving from a customs broker in electronic form:

scanned images of entry packets relating to products imported by the importer which the customs broker assembled and submitted to U.S. customs, each entry packet including at least one commercial invoice, at least one shipping manifest, and at least one U.S. customs form which the customs broker prepared and which sets forth an HTS code and a duty relating to at least one of the products; and

a broker database containing information relating to the entry packets in a form that may be electronically compared;

the importer entering the scanned images and the information in the broker database into a first repository in the importer database;

the importer linking the scanned images and the information in the broker database to corresponding records of the importer about the products in a second repository in the importer database;

the importer electronically and methodically comparing the information in the broker database with the corresponding records of the importer;

the importer comparing information in the scanned images with the corresponding records of the importer;

the comparing including comparing an HTS code on one of the customs forms with an HTS code with the corresponding records of the importer;

the importer identifying one or more discrepancies between information in the broker database and/or the scanned images and the corresponding records of the importer based on the comparisons, thereby auditing the entry packets;

the importer generating a report identifying the one or more discrepancies between the information in the broker database and/or the scanned images and the

corresponding records of the importer; and

the importer taking remedial action to correct the discrepancies.

1. (Currently amended with changes shown) A method for Harmonized Tariff Schedule ("HTS") auditing by an importer using a software user interface and an importer database coupled to the software user interface using one or more layers of executable code, the method comprising:

~~receiving by~~ an importer receiving from a customs broker in electronic form:

scanned images of entry packets relating to products imported by the importer which the customs broker assembled and submitted to U.S. customs, each entry packet including at least one commercial invoice, at least one shipping manifest, and at least one U.S. customs form which the customs broker prepared and which sets forth an HTS code and a duty relating to at least one of the products; and

a broker database containing information relating to the entry packets in a form that may be electronically compared; ~~a copy of an entry packet which the customs broker previously submitted to U.S. Customs, the entry packet containing information relating to a shipment for importation;~~

the importer entering, ~~by the importer,~~ the scanned images ~~copy of the entry packet~~ and the information in the broker database into a first repository in the importer database;

the importer linking the scanned images and the information in the broker database to corresponding records of the importer about the products in a second repository in the importer database;

the importer electronically and methodically comparing the information in the broker database with the corresponding records of the importer;

the importer comparing information in the scanned images with the corresponding records of the importer ~~consulting, by the importer, a second repository in the database, the second repository containing records of the importer relevant to a plurality of imported goods;~~

~~comparing, by the importer, the entry packet in the first repository with the records in the second repository;~~

the comparing including comparing an HTS code on one of the customs forms with an HTS code with the corresponding records of the importer;——

the importer identifying ~~, by the importer,~~ one or more discrepancies between information in the broker database and/or the scanned images ~~the copy of the entry packet~~ and the corresponding records of the importer based on the comparisons, thereby auditing the entry packets; ~~and~~

the importer generating ~~, by the importer,~~ a report identifying the one or more discrepancies between the information in the broker database and/or the scanned images ~~copy of the entry packet~~ and the corresponding records of the importer; and

the importer taking remedial action to correct the discrepancies.

38 (New). The method of claim 1 wherein the comparing information in the scanned images with the corresponding records of the importer includes:

displaying a screen which includes:

a link to more information about one of the invoices;

a link to more information about a product within the one invoice; and

a link to more information about an HTS code relating to the one invoice;

activating one or more of the links; and

in response to activating each link:

displaying the more information which is linked to the link; and

comparing it to at least one of the scanned images.

DRAFT REMARKS – FOR DISCUSSION PURPOSES

This is a proposal for an amendment to claim 1 and a new claim 38.[1]

U.S. customs brokers may receive several printed documents, such as commercial invoices and shipping manifests. These may come from several sources, such as importers, suppliers, freight forwarders, surety agents, and bankers.

The customs brokers may sort and assemble these documents into separate tangible "entry packets," each relating to at least one shipment. Each tangible entry packet may include a printed commercial invoice, a printed shipping manifest, and a printed U.S. customs form which the broker has prepared and which may list at least one Harmonized Tariff Schedule code ("HTS") and at least one duty which the customs broker has determined to be appropriate. The customs brokers may submit these completed, printed, entry packets to U.S. Customs on behalf of importers.

Customs brokers may make mistakes when completing and assembling these entry packets. For example, they may set forth erroneous HTS codes and/or duties in the U.S. customs forms, attach the wrong invoice or shipping manifest, and/or omit required information or a required document.

Detecting these errors can be difficult, time consuming, and labor intensive.

Amended claim 1 is directed to a detection method which utilizes a multi-level audit which may quickly achieve a high degree of audit accuracy with a minimum about of manual labor. The customs broker supplies the importer with <u>two types of information</u>: (1) scanned images of the entry packets (which cannot easily be audited by a computer); and (2) a broker database containing information relating to the entry packets in a form that may be electronically compared.

---

[1] Examples of support for the amendment and new claim may be found in paragraphs [0139] – [0145] of the original application, as well as Figs. 16, 17, and 18 and original claims 1-7.

The importer links the scanned images and information in the broker database to corresponding records of the importer. Information in the broker database is then electronically and methodically compared with the corresponding records of the importer. This may be done on an automated basis with little manual labor. In a second tier of the audit process, information in the scanned images is also compared with corresponding records of the importer, including an HTS code on one of the customs forms with an HTS code with the corresponding records of the importer. This second comparison may be more labor intensive, but may only be done in connection with a small subset of the records. Discrepancies are identified, reported, and remedied.

This multi-level auditing approach may quickly yield a high degree of audit accuracy with minimal manual labor.

Chin takes a fundamentally different approach to reducing customs broker mistakes. As recognized by the examiner, Chin does not receive or audit copies of entry packets which customs brokers submit to customs – a fundamental feature of amended claim 1.[2] Indeed, Chin does not even deal with tangible entry packets created by a customs broker containing printed documents. Instead, Chin minimizes the occurrence of mistakes by requiring all parties to the transaction – importers, customs brokers, suppliers, freight forwarders, surety agents, bankers, and even U.S. Customs itself – to access and manipulate an integrated database. As part of this, Chin's integrated computing system directly submits the required information to customs, eliminating the need for customs brokers to create tangible entry packets in the first instance.

The approach taken by Chin may not always be practical. For example, one or more parties to the transaction may not be willing or capable of interfacing with Chin's integrated computer system. Chin offers no solution for when this happens.

---

[2] On page 4 of the office action, for example, the examiner admits that "Chin . . . fails to explicitly disclose . . . auditing."

Milovina is alleged to disclose customs brokers delivering copies of entry packets to importers which the customs brokers previously submitted to customs. However, Applicant is unable to find such a disclosure in Milovina.[3] Further, there would be no reason to modify Chin to receive copies of entry packets which are delivered to customs by brokers. The integrated system in Chin generates the entry packets in the first instance and thus already knows their content.

Palmer merely discloses that a database can be audited by comparing its data to a reference source. However, there would be no reason to modify Chin to do this because each piece of data in Chin already comes directly from its source and thus is already the most reliable form of the information.

To be sure, combining the teachings of Chin, Milovina, and Palmer would not yield the method of amended claim 1, nor its advantages. Even in combination: scanned images of entry packets would not be delivered to an importer; scanned images would not be linked to corresponding records of an importer; a broker database would not be delivered to an importer containing information relating to entry packets in a form that may be electronically compared; information in a broker database would not be linked to corresponding records of an importer; and there would not be a multi-level audit comparing scanned images and electronically and methodically comparing information in a broker database with corresponding records of an importer.

New claim 38 is dependent upon amended claim 1. It adds a very efficient user interface as part of the comparison step. This interface includes a hierarchical system of links which allows a user to selectively drill down to more information about invoices, products, and/or HTS codes as part of the process of comparing scanned images of the

---

[3] Milovina states that "[a] customs broker is hired . . . to prepare and submit the customs declaration." ¶ [0006]. However, Milovina describes a computer system which generates a "customs invoice" and delivers it to the broker, which the broker may then edit. *See* ¶ [0024] ("The server . . . creates customs invoices" and "transmit[s it] to . . . the client device"); [0026} ("The customs broker uses the client device to display, edit, retrieve, and print the customs invoice.").

entry packets with corresponding records of the importer. This permits relevant data to be quickly accessed and compared. No such system is disclosed in the applied references.